

UNITED STATES OF AMERICA
Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 2000)

Docket No. R2000-1

OFFICE OF THE CONSUMER ADVOCATE
MOTION TO PERMIT LATE FILING AND FOLLOW-UP INTERROGATORY
TO UNITED STATES POSTAL SERVICE WITNESS PATELUNAS
(OCA/USPS-ST-44-52)
August 11, 2000

Pursuant to Sections 21, 26 and 27 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate ("OCA") hereby (1) moves that it be permitted to file a follow-up interrogatory to Postal Service witness Patelunas and (2) submits a follow-up interrogatory and request for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-14 dated January 24, 2000, are hereby incorporated by reference.

Motion

Under Rule 26(a) follow-up interrogatories are to be filed within seven days of receipt of the answer to the previous interrogatory. In this case, Mr. Patelunas's response to OCA/USPS-ST44-28(b) was filed by the Postal Service on August 2, 2000. This follow-up interrogatory, therefore, is filed two days out of time.

Interrogatory OCA/USPS-ST44-28(b) asked about the accuracy of the cost estimate for FY 2000. That estimate resulted in a forecast net loss of \$325.5 million as

compared with the earlier forecast of net income of \$65.6 million. In his response, witness Patelunas stated, among other things, that the Postal Service "is still looking for ways to accomplish its FY 2000 financial goal of a \$100 million net income."

After the seven day period expired, the OCA became aware of reports that senior Postal Service management very recently has indicated that the original rate case commitment of a \$66 million net income in FY 2000 has not changed.¹ Had the OCA become aware of this information within the seven day period, the follow-up interrogatory would have been filed timely. This issue is of significant importance to evaluating the reliability of the updated FY 2000 forecast as a step in determining the test year revenue deficiency. Combined with the fact that the request is only two days out of time, the OCA submits that circumstances warrant granting the motion to permit the filing of the follow-up interrogatory.

Respectfully submitted,



TED P. GERARDEN

Director

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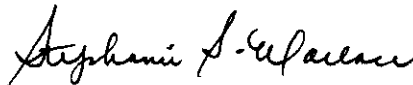
¹ *Business Mailers Review*, August 7, 2000, p. 2.

OCA/USPS-ST44-52. Please refer to your response to OCA/USPS-ST44-28(b). The August 7, 2000, issue of the *Business Mailers Review* reported that "Acting Chief Financial Officer Dick Strasser explained to *BMR* that the rate case-filing forecast of \$66 million has not changed. He sent a letter to the management committee reiterating that commitment."

- (a) Please confirm that such a letter was sent by Mr. Strasser.
- (b) Please provide a copy of the letter and any other documents related to Postal Service management's current expectation of net income or loss for FY 2000.
- (c) If you do not confirm, please explain the origin of the information reported by *Business Mailers Review* and provide all documents related to the current position of Postal Service management on the original forecast that FY 2000 would finish with a net income of approximately \$66 million.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the rules of practice.


Stephanie S. Wallace

Washington, D.C. 20268-0001
August 11, 2000